

INFORMATIONAL HEARING, SITE VISIT and
ENVIRONMENTAL SCOPING MEETING

BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification for)	Docket No.
the Abengoa Mojave Solar Project)	09-AFC-5
)	
_____)	

BARSTOW CITY HALL
220 E. MOUNTAIN VIEW STREET
BARSTOW, CALIFORNIA 92311

WEDNESDAY, DECEMBER 9, 2009

3:26 p.m.

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Julia Levin, Presiding Member

James Boyd, Associate Member

HEARING OFFICER AND ADVISORS

Paul Kramer, Hearing Officer

Sarah Michael, Advisor

Susannah Churchill, Advisor

STAFF AND CONSULTANTS PRESENT

Christine Hammond, Staff Attorney

Craig Hoffman, Project Manager

PUBLIC ADVISER

Loreen McMahon

James Davis

APPLICANT

Christopher T. Ellison, Attorney
Ellison, Schneider and Harris, LLP

Frederick Redell, Project Manager

Scott Frier, Chief Operating Officer
Abengoa Solar, Inc.

INTERVENOR

Elizabeth Klebaner, Attorney
Adams, Broadwell, Joseph and Cardozo
representing California Unions for Reliable Energy

ALSO PRESENT

Jeanette Hayhurst
City of Barstow

Scott Lisk

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1 P R O C E E D I N G S

2 3:26 p.m.

3 PRESIDING MEMBER LEVIN: Good afternoon;
4 welcome, everyone. I think most of you were here
5 before and on the site visit that we just returned
6 from. Is there anyone here that was not on the
7 site visit? A few people. I'm sorry, because it
8 was very helpful and thank you to the applicant
9 and others for organizing it.

10 My name is Julia Levin. I'm a
11 Commissioner with the California Energy
12 Commission. And welcome to the Abengoa Solar
13 Mojave Project, our first informational hearing to
14 launch this permitting process.

15 Sitting on my second right is my fellow
16 Commissioner, Vice Chairman of the Energy
17 Commission, Jim Boyd. And the two of us together
18 are the Siting Committee for this proposed
19 project. We are not the final decisionmakers, but
20 we will oversee the process until it comes to a
21 decision by the full five-member Commission, the
22 California Energy Commission.

23 To my immediate right is Paul Kramer,
24 our Hearing Officer, who will be running most of
25 the hearing today and in the future.

1 Before I continue with introduction I
2 would just like to welcome you all, and also to
3 thank the City of Barstow for hosting this very
4 important hearing.

5 Is there anyone here elected or
6 appointed official on behalf of the City of
7 Barstow? Would you like to introduce yourself?

8 MS. HAYHURST: Jeanett Hayhurst, City of
9 Barstow. We welcome you here, thank you.

10 PRESIDING MEMBER LEVIN: Well, thank
11 you, again for hosting it, and for offering this
12 facility.

13 Are there any other elected officials,
14 city, county, state, agency, other? All right.

15 Well, again, thank you, City of Barstow,
16 and thank you to others for helping to organize
17 this hearing. And I think you all know, renewable
18 energy is a very high priority in California.
19 We're not prejudging this or any other case, but
20 it is a priority for us to reduce greenhouse gas
21 emissions, certainly to create jobs and the new
22 green economy. It's very important and for lots
23 of other reasons. So we are excited to learn
24 about this case.

25 This hearing will be recorded. The

1 comments will be on the record. We will ask
2 speakers, when it's time for public comment, to
3 identify themselves. But we ask that you try to
4 keep it somewhat quiet, it's a small room, just so
5 the court reporter can pick up everything and we
6 can keep the record user-friendly and clean for
7 the future.

8 So, with that, I would like to ask our
9 staff -- we'll introduce our staff, and then ask
10 the applicant to introduce themselves. And Paul
11 Kramer, our Hearing Officer, will take over from
12 there.

13 So, on our staff, first I would like to
14 introduce our Public Adviser's Office, which is a
15 critical office for all of you. They will tell
16 you more about how you can participate in the
17 process; what the opportunities are for formal
18 intervention, how to find out more.

19 They are at your disposal. That is
20 their purpose. And they're very very helpful and
21 very knowledgeable about what we do and how you
22 can participate. And our Acting Public Adviser is
23 Loreen McMahon. And I'd also like to introduce
24 Jim Davis, where are you?

25 So if you have any questions about the

1 process, where you get more materials, they will
2 be the first people that you should turn to.

3 And now I would also like to introduce
4 our other staff. We have Christine Hammond from
5 our counsels' office, and Craig Hoffman, who is
6 our Staff Project Manager.

7 Have I missed anybody -- I'm sorry, our
8 Advisors. My Advisor, critically important,
9 Susannah Churchill to my left. And Commissioner
10 Boyd's Advisor, equally critically important,
11 Sarah Michael, to his right.

12 Now, have I missed anyone from the
13 Commission side? All right.

14 I'd like to kind of go over to the
15 applicant. They made introductions earlier, but I
16 know I'm not good with names; it would be helpful
17 to again, or anyone else has arrived since the --

18 MR. FRIER: Certainly, thank you. I am
19 Scott Frier, the Chief Operating Officer of
20 Abengoa Solar, Inc., and primarily responsible for
21 this project, most notably because --
22 neighborhood.

23 I'm here today with Project Manager
24 Frederick Redell, who's sitting to my right. He's
25 the guy that keeps all of the balls airborne

1 through this process.

2 Next to me is Chris Ellison, our
3 counsel, and Shane Conway, also counsel. And then
4 over in the audience section we have Kim
5 McCormack, raising her hand. She is also an
6 attorney that works primarily with issues
7 regarding habitat, biology, land use. We got
8 Linda Kwan, who's next to her, also biology.

9 We have our office manager out of
10 Victorville, (inaudible), who actually makes all
11 of the magic happen. And he's the only the one on
12 the face of the planet who knows where I am at any
13 given time.

14 (Laughter.)

15 MR. FRIER: We've also got in the
16 audience Wayne Luten, back there. He's our
17 operations specialist. We've got Dave Oceanrider,
18 who's back in the back. He's the director of land
19 development, infrastructure.

20 We've got Tim McMahon, in-house counsel
21 over in the back. And we've also got Tandy
22 McMannes sitting next to him. And he's the
23 project business manager.

24 And I think that constitutes our -- oh,
25 okay, where's Kathleen, we've got also -- she was

1 hiding back there, but I see her. Kathleen Solan,
2 she's a project engineer. So that constitutes our
3 group here in the room today.

4 PRESIDING MEMBER LEVIN: All right,
5 well, thank you. And welcome to any other members
6 of the public or interested parties that are here.

7 Is there anyone here from CURE, which is
8 the one formal intervenor.

9 MS. KLEBANER: Yes, hi. I'm Elizabeth
10 Klebaner representing CURE.

11 HEARING OFFICER KRAMER: Welcome. So,
12 we're going to talk about formal intervention.
13 Actually the Public Adviser's Office is going to,
14 shortly. But they are official formal parties in
15 the proceeding, as a formal intervenor.

16 So, one other point of clarification
17 before I hand it over to Mr. Kramer, our Hearing
18 Officer, and that is for some of you that have not
19 been through this before, the purpose of an
20 informational hearing like this are really just
21 that. They are not to make any decisions at this
22 point, although any information we receive here
23 will go on the record for this proceeding.

24 So it really is to introduce the process
25 to all of you, what we are legally required to do;

1 what our process within the Commission looks like;
2 how any of you can participate formally or
3 informally; what the key decision points are.

4 And then the applicant will have an
5 opportunity to tell all of you, as well as us,
6 more about the project. And there will be an
7 opportunity for public comment when any of you are
8 welcome to raise any questions, concerns, issues.
9 And we launch the process from here.

10 So, with that, I'm going to hand it over
11 to Mr. Kramer and take it away.

12 HEARING OFFICER KRAMER: Thank you.
13 Jim, could you or Loreen run the PowerPoint, or is
14 the lady who was going to do it here? I can go
15 ahead without it, but I know the others will need
16 it.

17 And if you can skip forward to the slide
18 that says acronyms. That one. And then if our
19 audio/visual -- there we go. Okay, skip forward
20 to the fourth slide. And if you can make that
21 full screen, there we go. That's close enough, I
22 think.

23 This is for the benefit of the public to
24 -- we use a lot of acronyms --

25 PRESIDING MEMBER LEVIN: I'm sorry, is

1 it possible to make it full screen, because that's
2 a pretty small screen.

3 HEARING OFFICER KRAMER: It would be
4 under slide show. There you go.

5 We're just chock full of acronyms at the
6 Energy Commission, and we throw them around like
7 nickels or dimes. So this is my attempt to
8 include some of the rest of you who don't hang
9 with us everyday, about what we're actually
10 saying.

11 The first is an application for
12 certification. That's what the applicant filed,
13 their application for a power plant permit.
14 Preliminary determination of compliance, that's a
15 report from the air quality district about whether
16 the project meets the air quality rules. Quite
17 often it comes with quite a few recommended
18 conditions to apply to the project to make sure
19 that it complies with air quality rules.

20 Then the staff, after those reports come
21 in the staff will issue a staff assessment. And
22 important point about that is our process has been
23 certified as the equivalent of a traditional
24 environmental impact review process that you would
25 find, say, here at the city or at the county. So

1 the staff assessment is going to be, in effect,
2 the EIR for this project.

3 If you sit around waiting for an EIR to
4 show up in your mailbox, this project could be
5 over and you'll still be waiting. It's going to
6 be the staff assessment that is the EIR equivalent
7 here.

8 After that, or maybe even before that in
9 the order of things, the air district issues a
10 final determination of compliance. The reason
11 they have preliminary and final is they need to
12 take comments before they can issue their final
13 report.

14 Next slide. The space bar. There you
15 go. After we hold evidentiary hearings the
16 Committee will issue a Presiding Member's Proposed
17 Decision. And that will, in effect, be a
18 recommendation to the full Energy Commission
19 whether the project should be approved or not, and
20 what conditions should apply to it.

21 Among the things that the staff will be
22 reviewing in its analysis, and that we'll be
23 discussing in the proposed decision, is whether
24 the project complies with LORS. And that's our
25 catch-all phrase for laws, ordinances, regulations

1 and standards.

2 Basically any sort of standard, whether
3 it's state, federal or local, that would apply to
4 the project. We report and decide whether or not
5 the project complies with those requirements.

6 And finally, CEQA is the California
7 Environmental Quality Act. It's the law that's
8 been in effect since, I believe, it's the '70s,
9 requiring public agencies to analyze the
10 environmental effects of projects before they make
11 decisions about them.

12 Next. The agenda for today's hearing is
13 as follows: The Deputy Public Adviser is going to
14 describe how the public can participate in our
15 process. Then the applicant will describe the
16 project in more detail.

17 The Commission Staff will then talk
18 about the licensing process, their role in that
19 process. And they will talk about a report they
20 filed in the last month or so, which was their
21 initial identification of the environmental and
22 other issues that they have discovered, or that
23 they believe will require analysis regarding this
24 project. And which they will analyze in their
25 staff assessment.

1 Following that we will discuss -- next
2 slide -- scheduling and the other issues that were
3 raised in staff's issues identification report and
4 the applicant's response to the proposed schedule
5 that staff provided.

6 And then we will hear presentations from
7 interested agencies, if there are any. And
8 questions from those agencies. And then take
9 public comments and questions.

10 And in connection with that, when you
11 make a comment please come up to the podium so
12 that we can record you with the microphone and
13 make sure that your comments are accurately
14 reflected in the transcript.

15 And if you want your name to be
16 accurately spelled in the transcript, please
17 either spell it when you come up, or give a
18 business card or your name on a piece of paper to
19 the court reporter so that she can do that. I
20 would suggest that the applicant provide business
21 cards before they leave so that she'll get your
22 names correct.

23 Next slide. Then we'll discuss some
24 housekeeping issues. And we'll adjourn.
25 Following that, the Committee will issue a

1 schedule in approximately one to two weeks.

2 Commissioner Levin, before we went on
3 the bus tour, spoke briefly about what we call the
4 ex parte rule. I believe it's Latin for one-
5 sided. And the notion here is that our Commission
6 decision needs to be based on the evidence that's
7 presented to us at the evidentiary hearing.

8 To have a fair process we need to -- it
9 needs to be that everybody who participates in the
10 hearing knows what that evidence is and has a
11 chance to respond to it. So it needs to be
12 available to all the participants.

13 So to do that we need to make sure that
14 all the discussions that a member of the public or
15 the applicant or the staff have with Committee
16 members that are about a substantive item, such
17 as, you know, why you are or are not in favor of
18 this project, occur in a public meeting or in some
19 kind of written form, an email or a letter that
20 can be shared with all the other parties and the
21 public.

22 But it is okay to have these private
23 discussions about procedural issues such as when
24 the next hearing's going to be, or sometimes I end
25 up talking to the parties' attorneys about the

1 proper way to get evidence to me, details such as
2 that. That's perfectly okay.

3 Next. To stay informed, and my slides
4 were available at the table. I think I had about
5 25 copies. They may all be gone, but they were on
6 a single, double-sided page. You'll get some of
7 this information from the other presentations, as
8 well.

9 We have an internet page. Our internet
10 site, I think, is pretty accessible. And it
11 contains quite a bit of information about this
12 project and all of our other projects, if you
13 wanted to compare and contrast, as a homework
14 assignment today.

15 (Laughter.)

16 HEARING OFFICER KRAMER: And if you want
17 to not go to the website every day or two to see
18 what's new, you can get on one of our listservers.
19 And we have them for each of our projects. And
20 you won't be told about every minute addition to
21 the website, but as I understand it, you'll
22 receive an email when major documents go up there.
23 So you can just wait for that and then go to the
24 website to look at them.

25 For instance, when the staff issues

1 their staff assessment, an email would go out to
2 the listserve saying that's available up on the
3 website. And you could download it from there.

4 When our PMPD comes out the same thing would
5 occur.

6 Next. This is contact information for
7 the Public Adviser, for me, and for Mr. Hoffman,
8 the Project Manager. If we've run out of copies
9 of my presentation and you want one, you can give
10 me your email address and I can send you one when
11 I get back to the office.

12 And next. I guess that's my last slide.
13 So, I believe I've covered the points. Spell your
14 name, come to the microphone and we'll go to the
15 next. The first portion of the agenda, which is
16 the Public Adviser's presentation.

17 MS. McMAHON: Good morning. I'll start
18 out by welcoming you here, and also pointing out
19 that, once again, as Commissioner Levin said, the
20 public is very important to our process. It is
21 your community and you know more about what's
22 going on in the community by living here than we
23 do. So it's very good to see so many of you here
24 and to have you involved in both learning and
25 hopefully participating in our process.

1 Because our public involvement is so
2 important to our process, the outreach to the
3 public is sent out by many different divisions
4 within our office. I have a list up there of the
5 divisions that have specific responsibility for
6 getting the information out to you. And I will go
7 into further detail later about what each specific
8 office does.

9 What's unique about the Commission is
10 that because the public outreach is so important
11 to our office we have a Public Adviser position
12 and a Public Adviser's Office to work specifically
13 with you. We're an independent part to the
14 proceedings.

15 And the word party, I don't think, is
16 defined for you. But party is a formal word that
17 we use that it's defined to people that are
18 formally into the process. It means one party is
19 the staff, as a whole; another party is the
20 applicant. Other parties will be intervenors such
21 as CURE, and anybody else who wants to intervene.
22 And I'm going to get to that again later.

23 So, because we have a Public Adviser's
24 Office, what is it that we do? We work very hard
25 at helping the public understand the process, and

1 we make a recommendation on how you can be
2 involved. Whether you want to be a formal
3 participant or an informal participant. So we
4 assist you in meaningful and successful
5 participation.

6 Our outreach in the Public Adviser's
7 Office is, again, independent from any of the
8 other offices in the Energy Commission. We focus
9 primarily in the local community. We specifically
10 assist to the city and county officials -- I can't
11 read that, I hope you guys can --

12 (Laughter.)

13 MS. McMAHON: I thought it was going to
14 be easier. We've sent out to Barstow and San
15 Bernardino County. Because you're such a large
16 county, and Barstow is somewhat over on this end
17 of it, we usually try to get the neighboring
18 communities. In this case we also went over to
19 San Bernardino and some of the larger cities, just
20 to make sure that our outreach was broad-reaching.

21 We reach out to churches, schools, law
22 enforcement, Native American tribes, all entities
23 that can send the information out farther and get,
24 you know, disburse the information within the
25 community to make sure that anybody who wants to

1 know about this project can hear about it.

2 So, if you know of people that don't
3 know about it, feel free to share that with them
4 and get them involved, if that's something they're
5 interested in.

6 We also paid for local advertisements in
7 the Victorville Daily Press, and we worked on
8 getting public service announcements into local
9 chambers. And we contacted radio and tv stations,
10 both English and Spanish, in the neighborhood,
11 where we don't get feedback from those entities
12 that they're actually going to post the
13 information in any manner.

14 In other divisions within the Energy
15 Commission, the siting division send out postal
16 service mailings when they get the giant
17 applications in from the applicant. They send it
18 to residents within 1000 feet of the project and
19 500 feet of any of the project linears, which is
20 if there's transmission lines or water pipelines
21 or gas, sewer lines, which don't apply a lot to
22 this project, but those are what project linears
23 typically contain.

24 They send out -- the copies of the AFC
25 are actually sent to the libraries; and local,

1 state and federal agencies get notice the AFC and
2 CD copies. And a lot of these are within the
3 local community, or certainly with the county.

4 The hearing office sends out postal
5 service mailings to the project service mailing
6 list, which is those three things that I just
7 mentioned. And the purpose of this list, which is
8 -- not electronic, it's electronic and U.S. mail,
9 but it's a list that's comprised of the parties.
10 They use that, as well, which at this stage is not
11 -- and all our lists are continually updated.

12 And then notice by the server. Anybody
13 who has previously signed up for project
14 information will be getting those types of notices
15 in the mail. As Paul said, they send out notices
16 electronically for when documents come out. They
17 also do it when there's public events that people
18 would be interested in learning about. So those
19 are also sent.

20 By the way, my presentation is also over
21 at the back table, so it has all the contact
22 information that I mentioned is in there. And
23 it's also going to be posted online, and through
24 the Public Adviser's specific webpage. And all
25 this information can be accessed through that,

1 too. There are lots of ways, so you don't have to
2 be taking notes.

3 Our Executive Director sends out
4 correspondence directly to your elected officials,
5 assemblymen and senators. And then we have a
6 press and media office, and they send out press
7 releases, the entire list here.

8 So, now that we did all that, that's the
9 information that we had down here, and you want to
10 get more information. We have a lot of mechanisms
11 that we do throughout the project, specific
12 sources and specific tools to work with those
13 sources to make sure that you can get whatever
14 information you want, and you can keep informed as
15 the project goes on.

16 First and foremost, we have the Energy
17 Commission website. And here I have listed the
18 specific project website, but you can also find
19 that by searching, as well.

20 They list the notices, they list any
21 announcements, all of the docketed material is on
22 there. And then there's the docket log of things
23 that aren't specifically available online. You'll
24 notice that there's something in there that you're
25 interested in, if can be obtained through the

1 dockets office, which is the contact at the
2 bottom.

3 And then we also have the documents at
4 the Energy Commission Library. And then the tools
5 to access that information and help that you need
6 continually inform that that information is
7 available is the email listserve notification,
8 U.S. mail. And the U.S. mail is focused primarily
9 on the large documents and the notices of specific
10 workshops or hearings or events. And then the
11 Public Adviser's Office.

12 And we have a sign-up sheet. That was
13 the distinction that the applicant made earlier
14 that our sheet of sign-up is, if you don't want to
15 go online and sign up, yourself, or if you want to
16 get on the mailing list, I can do either for you.
17 And you sign up, and we'll get you signed up.

18 And then, of course, you can call me
19 anytime. And I'm usually pretty accessible unless
20 I'm at meetings like this, and then I have staff
21 that can assist you.

22 So if you want to get information in
23 your community, that's easy, too. We've put the
24 AFC in local libraries, four of them are listed
25 here. And then electronic access is available

1 through both the library, and if you have any home
2 computers, that would work, of course, too.

3 And now once you have all the
4 information and you decide that you want to be
5 more involved and you want to make comment, we
6 have two levels of public participation and two
7 types of comments in our process.

8 The first we call informal
9 participation. Comments can be made at anytime in
10 writing. You can just send it to the dockets
11 units; they'll get docketed and then they'll get
12 disbursed. Or you can make them at any of these
13 kinds of events, just come up and make them. Or
14 you could submit written ones at these events,
15 too, if you're microphone-adverse.

16 And the comments are considered by the
17 Commissioners. If you make comments early enough
18 and it's a specific issue that can be worked
19 through, the staff tries to work through that. It
20 doesn't have to always go up to the Commissioners.
21 But the Commissioners will consider the comments.

22 They become part of the record, but
23 they're not evidence. Only intervenors making
24 testimony and parties making testimony have
25 comments, to use the word, that's considered

1 evidence. So there's a little bit of a
2 distinction, and I'll explain that a little bit
3 later.

4 So, we try to make your ability to make
5 comments easy. And I've mentioned the ways you
6 can do it. And if you do send us written
7 comments, make sure that you reference this
8 specific project by name and docket number,
9 because we have a lot of projects. Okay.

10 So then the formal participation is when
11 you become an intervenor. And anyone can become
12 an intervenor. We have a petition on our website
13 that you file. You fill it out and send it to the
14 dockets unit. And I can help you with that, too.
15 I can help you find it; I can help you fill it
16 out. So if that's something you want to do, you
17 can check the website first, you can give me a
18 call first, whatever works for you.

19 We have a pretty new website that we put
20 up recently that has several pages now devoted to
21 this, becoming an intervenor. So if you started
22 there, that would be some pretty good information.

23 So you don't have to be an attorney.

24 And the petition, once it's sent in, is considered
25 by the Siting Committee. And then if they approve

1 the petition, then you will become a formal party
2 or an intervenor.

3 And one more thing I want to note on
4 this page is that if that's a level of public
5 participation that you're interested in, it's
6 better to file the petition earlier on in the
7 process, rather than later, so that you can
8 participate at that level earlier on, and you can
9 become part of the earlier proceedings that occur
10 at that time, rather than waiting.

11 I meant to also say when you make your
12 comments at this proceeding and at any of our
13 other proceedings, we use these blue cards that I
14 have on the back table. And if you'll fill these
15 out and give these to me, I will take them up to
16 the Hearing Officer. And then that way he can
17 read your name and call out who's going to make
18 comments. And I don't have any of these yet, so
19 feel free to fill this out and get them to me.

20 So intervenors have the same rights and
21 responsibilities as other parties once they
22 intervene. So the applicant and the staff and the
23 intervenors are all equal parties. And in that
24 way none of them can speak to the Commissioners or
25 the Hearing Officer because of the ex parte rule.

1 So they receive all filings in the case,
2 including this giant AFC. They receive notices of
3 hearings and workshops through the proof of
4 service list. They can fully participate in the
5 process; they can file documents and serve them on
6 other parties. More types of documents that they
7 can file.

8 They can present witnesses and evidence.
9 And if they do present witnesses, they have to
10 make their witnesses available for cross-
11 examination by the other parties.

12 So things to keep in mind. If you want
13 to stay informed, our process is -- it's pretty
14 fast-moving. It seems like it's slow sometimes,
15 but there's a lot of documents that are going on
16 in the background all the time. So, sign up to
17 receive notification by email, if you possibly
18 can.

19 Submit comments or become an intervenor.
20 And attend meetings like this to keep informed of
21 the process.

22 We have ability to encourage and assist
23 non-English-speaking people if you've got
24 neighbors that need that assistance, as well as
25 persons with disabilities.

1 And so the last slide is my contact
2 information. And we also have a Public Adviser's
3 brochure with more contact information, and some
4 general things about this particular project in
5 it.

6 Thank you.

7 HEARING OFFICER KRAMER: Our next
8 presentation will be from the applicant.

9 (Pause.)

10 MR. REDELL: Hello. I'm Fred Redell;
11 I've been working on this project with Scott Frier
12 for the last two years. We've been putting this
13 project together from the land that you all took a
14 tour on today, to bring together, you know,
15 renewable energy to California, increase jobs and
16 really help with California's goals to reduce
17 pollution, reduce greenhouse gases and provide a
18 better economy for us all.

19 So, let's skip forward here. A little
20 bit about Abengoa Solar. Go forward. Abengoa
21 Solar is a Spanish corporation made up of five
22 business units. And I don't have them all
23 memorized because I work in the solar unit.

24 The solar unit is headquartered in
25 Lakewood, Colorado. And we have a project office

1 here that Scott runs, the chief operating officer.
2 That office is responsible for this project. And
3 this project has been developed there.

4 We also have a few other business units
5 including bioenergy, communications and then
6 wastewater and other types of facilities.

7 So, Abengoa Solar has, in the solar
8 market, is all types of technologies from
9 photovoltaic to power towers, to the technology
10 that we're trying to deploy here, which is
11 concentrating solar trough design. Along with
12 integrated gas combined cycle. We have projects
13 around the world, as you see here. Can't really
14 read that very well. But Morocco and in Spain and
15 other places.

16 Ah, the project description, something
17 that I was prepared for.

18 (Laughter.)

19 MR. REDELL: So the project is a 250
20 megawatt project. We expect that this could
21 produce enough electricity for about 70,000 homes.
22 What we're deploying is a proven technology. The
23 technology you saw on the bus tour is the same
24 technology that we're using.

25 The slight difference is that we're not

1 using gas to supplement the power output. Those
2 projects were built at a time when that was
3 allowed or favorable. It's not allowed or
4 favorable at this time. So we have a purely solar
5 project.

6 The size of that, 250 megawatts,
7 produces about the same amount of energy as all
8 the solar projects at Harper Lake and Kramer
9 Junction combined.

10 The siting of this, we tried to place it
11 at a location that had minimal impacts. Away from
12 large population areas where it can't be easily
13 seen. And also try to configure it to avoid
14 biological impacts, as when you went out on the
15 tour you saw that we used portions of the land
16 that were already disturbed.

17 And, of course, we sited it in a
18 location next to the existing solar plants. That
19 location was, and Scott probably pointed this out,
20 was the same location that SEGS X, XI, XII and
21 XIII were planning for. And so we essentially
22 went back to something that was done before and
23 said, it works here. We want to use this
24 location. And that's why we moved forward with
25 that location.

1 Just a little bit about the process. In
2 the upper left of the screen you see our
3 depiction, a cartoon of these collectors. These
4 are all the collectors that you saw in the field.
5 They point to the sun, collect the energy, heat up
6 an oil that's circulated through the plant. That
7 oil is used, in the center you see a couple
8 circles there to boil water, create steam in the
9 upper right to run a steam turbine. That steam
10 turbine runs a generator. The generator puts out
11 electricity.

12 We then -- that steam is then condensed
13 and re-used to make steam where we use a cooling
14 tower to cool the process. And the cycle just
15 continues.

16 Here's a layout that we presented and we
17 gave everybody when we went on the tour. I'm sure
18 you're all pretty aware or familiar with it if you
19 went on the tour. But what you see is -- able to
20 do the arrow --

21 (Pause.)

22 MR. REDELL: You might be able to see
23 the arrow there, as she shakes it around. There's
24 two power-generation areas here, the power
25 islands, similar to the projects that you saw up

1 there. There were two locations where they were
2 actually producing the electricity.

3 The remainder of the facility is the
4 solar collectors where we collect the energy, the
5 heat, and pump that back to the power island to
6 create the electricity.

7 So, let's continue on. This is a little
8 bit more detail about the location. You can get a
9 better feel for it, since we just saw it from the
10 side. We're going to look at it from above, you
11 know, above here.

12 Why would we choose a site like this?
13 It has an excellent solar resource. What this
14 really means is that the sun shines here. It
15 shines often and --

16 (Laughter.)

17 MR. REDELL: -- I'm sure -- every single
18 day. But, you know, there's other locations that
19 have more clouds, or, you know, just aren't as
20 favorable. This is a nice location that has, you
21 know, a high resource.

22 I already discussed, the land use is
23 compatible, of course. It's consistent with the
24 neighbors there, the existing solar plants. So we
25 weren't going to put something in a location that

1 was completely new.

2 We're right next to the transmission
3 lines. We all saw that, the large transmission
4 lines running to the south of the plant. This, of
5 course, has to be able to interconnect the project
6 where you got the project site, eliminating the
7 need for an offsite linear to deliver energy.

8 Natural gas. The existing plants have a
9 natural gas pipeline. We'll be able to tap into
10 that line at sufficient capacity, so we don't have
11 to put in another pipeline for that purpose.

12 And then, let's see here, we have
13 adjudicated water rights, as I'm sure many of you
14 in Barstow know, the Mojave Water Agency manages
15 the water in the basin. With our land purchase we
16 are using those water rights to clean this project
17 and to run it. It's brackish water there, as we
18 understand it. So that's what we'll use for
19 cooling.

20 And the big point here, the other
21 projects were built here. There's a skilled
22 workforce to do this in the area. And unlike a
23 very remote site, we have the ability to draw from
24 this resource, from this workforce, and build
25 these projects.

1 Here's sort of just a regional area.
2 You all know where Barstow is, that's where we're
3 at, sort of in the center there. We followed
4 highway 58 out and then got the Harper Lake Road.
5 Went about six miles north to the project site,
6 and that's the area shown in blue. And to the
7 northwest of there, where the SEGS VIII and IX
8 were.

9 Better aerial shot here. In the
10 outlying red area, this is where our project's
11 located. You can see that these are the
12 agricultural fields that were used by Milton Most
13 (phonetic) and his family for the agricultural
14 activities out there.

15 We circled around when we came up Harper
16 Lake Road, and we went clockwise around the site.
17 And then went off to the east on where we meet up
18 with the watchable wildlife area is.

19 Here's an oblique view from the air.
20 Shows SEGS VIII and IX in the distance. The next
21 image essentially shows what our facility would
22 look like when we place it in there. You can see
23 the two power islands. We have proposed two sets
24 of evaporation ponds for the cooling tower
25 blowdown. The fields cover most of the area. And

1 then you have the drainage channels that I pointed
2 out on the tour, running east to west, or sort of
3 like diagonally in this picture.

4 And then the interconnection -- can you
5 pick that up there -- the interconnection to the
6 transmission line, which runs against the site
7 there.

8 Forward. A little bit more about it.
9 It's very flat. You went out there and you saw
10 that. It actually has about a 1 percent slope,
11 which means that over 5000 feet it will drop about
12 50 feet. So we're looking at from the road down
13 to the transmission line, the transmission line is
14 about 50 feet higher.

15 We plan on grading this site by
16 terraces, just like you saw at the existing site's
17 plants. And just to flatten it out some so that
18 we can put in the mirrors and be able to operate
19 the plant.

20 Some of the resources I talked about,
21 7.7 kilowatt hours per meter square per day.
22 Essentially that's very high.

23 The land. We're using about 765 acres.
24 It's all privately owned by Abengoa or under
25 option. As I pointed out in the aerial, it's

1 previously disturbed. And we have one portion
2 there that actively farmed. You saw the equipment
3 still sitting on the site. Right now there's
4 nothing growing there, but at times the owner of
5 that site currently farms it. Under our agreement
6 he's allowed to do that.

7 And it is essentially we're putting this
8 where it was previously considered for SEGS XI,
9 XII and XIII.

10 This view is a little hard to read or
11 understand exactly what it is until I explain it
12 here. The dark areas are areas that you can't see
13 the project from, or that we don't think you can
14 see the project from because of the topography.

15 The white areas, at a 15-mile radius if
16 you can actually see that far out there, would be
17 areas that you could perhaps see the project.
18 Along highway 58 you'll see that there are areas,
19 you know, east to west there that you would see
20 the project.

21 And then as you drive up Harper Lake
22 Road there's a point when we were driving in where
23 we sort of came over a hump. You can sort of see,
24 you're able to see the existing SEGS plants, and
25 that's where we thought that you'd be able to see

1 our project. At that point, about maybe 2.5 miles
2 south of the project. So it's in a pretty
3 isolated area, pretty low area.

4 This one, and I apologize, the north is
5 to the right. But this shows all the locations
6 that we considered. And what I want to present to
7 you is what the project will look like when it's
8 complete.

9 So these are all the locations with
10 arrows showing the direction that you'd actually
11 be able, or whatever it would look like from that
12 location.

13 And this was another view from across
14 the lake. I mentioned it when we were on our --
15 on my bus. You'd be able to look back, if you
16 were across the lake, and what it would look like
17 from that location.

18 So, this is without the plant there.
19 And the blue star is the location where you'd be
20 standing to see this. This is that rise in the
21 road. And then when we click forward, you can
22 kind of see the plant, but hardly.

23 At this point you can barely see it.
24 You can see where the power island would be, right
25 out there to the left a little. Let me try.

1 Right there. That's where the power island will
2 be; and at that location that's what your visual,
3 what your view would be.

4 Now, closer to the site, about two-
5 thirds of a mile from the intersection of Harper
6 Lake and Lockhart. And if we go forward you'll
7 see where the plant is. That you would see there
8 would be the power house. So you're about a
9 quarter, or three-quarters of a mile from the
10 site, that would be about the view. You can see
11 some of the mirrors to the left and to the right
12 of the power house.

13 Continue forward. This location is sort
14 of centered in an area where there's a few homes
15 and along a road, just off to the east of Harper
16 Dry Lake Road. And then with the view. You can
17 see the mirrors there; and then in the distance
18 you can kind of see the power island and the
19 cooling tower.

20 Go ahead. This one is a little closer
21 to Lockhart Road, looking east-southeast. And you
22 see where the mirrors are now installed. And I
23 think in the distance on this one you can just
24 make out the top of the equipment and the power
25 island.

1 Go forward. This one is when you're
2 driving east on Lockhart Road towards the
3 watchable wildlife area. And then go ahead and
4 click again. We have installed here, you'll see a
5 fence. And then off to your left you'd see the
6 mirrors.

7 The bottom of this fence and the whole
8 perimeter of the site will have desert tortoise
9 exclusion fencing to minimize the chance of having
10 a tortoise enter the site.

11 And then this is from the watchable
12 wildlife area looking north, back towards the
13 transmission lines. That's my car, it's a Honda
14 Civic, if anybody wants to buy it. I crashed it a
15 few days ago.

16 (Laughter.)

17 MR. REDELL: And this is with the power
18 project installed. And you can see off to the
19 right there the power island.

20 Looking to the west, in the same
21 location, I think you guys saw the windrows, the
22 trees in certain locations. This is looking west
23 towards the alpha power island. Move forward.
24 And you can just make out the power island there
25 in the center.

1 And then let's continue forward. And
2 this one is from across the lake. This is a
3 little harder to see. The little black dot in the
4 center. Go ahead and point to the little black
5 dot. That's one of the power islands there, from
6 across the lake.

7 So that's essentially what you'd see
8 after to the project is finished.

9 And then Scott will talk a little bit
10 about the community benefits. And then we'll be
11 all done.

12 MR. FRIER: Thank you, Fred. I asked
13 the community benefits component of this
14 discussion because again that's my neighborhood.
15 I'm a long-term resident here, been here for 25
16 years. And most of the people that I work with
17 have been here for similar lengths of time. We've
18 been in this industry going back to 1985 with the
19 existing SEGS plants. And I worked at those for
20 many years, and ran some of the existing SEGS for
21 over 17 years.

22 The benefits to the community here, if
23 you'd click forward, are fairly significant.
24 Beginning with the construction benefits.
25 Construction benefits of a workforce that we're

1 going to be bringing on as soon as we're able to
2 begin the construction timeline, suggest
3 approximately 26 months of construction.

4 The construction workforce will top out
5 at about 1600 people that, as we note on this
6 slide, it'll have a sustained number of over 830
7 people for quite some period of time.

8 They are not unusual skill sets that are
9 required, they're typical trade sets, typical
10 craft sets, much like have been employed in most
11 of the industry all about the area.

12 This is something that's very near and
13 dear to my heart, in particular, because living
14 here for a long time, as I do, and my associates
15 in the office do, we all live here. We work for
16 employers in the area. And we've seen the area
17 devastated by the last economic downfall.

18 The industries here, as most of you
19 know, are heavy industries, mining, large
20 industrial complexes that use all the same skill
21 sets that we will be needing for the construction
22 of ours.

23 Through the last year many of these
24 companies have literally lost hundreds and
25 hundreds of skilled people, many of which I've

1 known for years, I've worked with, I'm related to
2 in some cases. Co-workers -- have lost their
3 jobs. So we're very anxious to be able to bring
4 this opportunity to this area and hopefully put
5 some of these people back to work.

6 And so we're in favor of moving through
7 this process expeditiously. Hopefully by this
8 time next year we'll be affording a lot of
9 opportunities, and hopefully entering into a more
10 pleasant holiday season for a lot of people who
11 are now anguishing about how to maintain paying
12 for their houses.

13 The construction workforce hopefully
14 will start up their employment here approximately
15 the end of October of next year if all of the
16 processes follow prescriptive timelines.

17 We don't have a slide that shows the
18 sustained growth of the craft trades that would be
19 brought in, though we do have the construction
20 period, the monetary implications of doing so.

21 That suggests that -- this is a booger
22 for my old eyes to see -- but direct economic
23 input is \$150 million that would be coming over
24 directly injected in through the payroll and
25 associated goods and services that would come in,

1 in this neighborhood, as a result of this project
2 through the construction phase.

3 There is also indirect economic output
4 that kind of modifies that because for every job
5 you create, you also have some subcontractors and
6 some support jobs. So that has a multiplying
7 effect that adds to the benefits of that.

8 On top of that you also have induced
9 economic output that is rather substantial,
10 because all of these people are seeking places to
11 stay. While houses are unfortunately going into
12 foreclosure, a lot of rentals remaining empty.
13 Things like that that'll begin filling back up as
14 a result of the influx of this workforce. So
15 that's going to be part of the induced benefits of
16 an economic value to this area.

17 So, for every one direct dollar we
18 create, we create almost \$2 in direct economic
19 benefits to the area. So we're very excited, and
20 I'm very proud, personally, to have the
21 opportunity to take a big role in hopefully
22 achieving this goal for our neighborhood here.

23 If we look at the direct employment, we
24 talked about that, it's very similar in nature.
25 For every one direct job we create, there are

1 basically three jobs, in total, that are created
2 in the area. Also the indirect and induced
3 employment. And, again, these are the ancillary
4 jobs that support the people who work directly for
5 the construction workforce.

6 And then all of the goods and services
7 that come with that, the people who have services
8 and restaurants and various stores and things like
9 that. They're also able to benefit from the
10 influx in the workforce and the incomes that are
11 generated with that.

12 So that's what's available throughout
13 the 26-month anticipated work period. And I think
14 that accumulates up to, if my eyesight holds,
15 about 2500 jobs for that period of time. So
16 that's very exciting news for this area in
17 particular, that desperately could use putting all
18 of these skilled people back to work.

19 Next one. Throughout the operations
20 phase. Now, what we've done is we've assumed a
21 30-year phase, which is, in terms of the
22 foreseeable future, reasonable. Although there's
23 no reason this plant will not continue operating.
24 There's no technology reason it wouldn't continue
25 operating upwards of 50 years or more, if we

1 continue retooling this and retrofitting the
2 thing.

3 Much like the induced and indirect
4 benefits that are seen through the construction
5 period, that's also seen during the operational
6 phase. We will be creating approximately 60, I
7 think we've got 63 direct jobs, 68 -- yeah, okay.
8 We've averaged it. It varies a little bit from
9 season to season. We hire a few more people
10 during the wintertime -- or excuse me, during the
11 summertime than we do in the winter just because
12 that's when the bulk of our production occurs.

13 But we have had similar multiplier, both
14 in terms of the economic benefits that come to the
15 area on an annualized basis. We see that we've
16 got direct economic stimulus of about 12 million.

17 And I do have a reasonable anecdotal
18 story to tell about that. We did an analysis the
19 last year that I ran the existing SEGS here, as
20 the COO of that company, was 2004. And those
21 plants were a hybrid plant. They used natural gas
22 as part of their fuel component.

23 Natural gas, for those of you who don't
24 know, is we're a net importer of natural gas. The
25 amount of money that we spend to import natural

1 gas came up to about \$9 million the year 2004.

2 Natural gas, if you're a net importer,
3 means that we're writing a check basically to
4 Canadian Natural Gas, Inc. And I have nothing
5 against the Canadians, I'm married to one, so
6 they're lovely people, very polite.

7 But because this is my neighborhood it
8 struck me with a great deal of interest that our
9 payroll happened to be 9 million bucks. And
10 that's the payroll that it took to generate the
11 same amount of electricity via solar.

12 So when you create a solar facility you
13 harness the local resource, being the solar
14 resource here, and you harness that by using the
15 local talent and the local people that are here,
16 the local people, the goods and services.

17 So, instead of writing a check for \$9
18 million in that year 2004 -- we wrote to the
19 Canadian National Gas, Inc., which is a facetious
20 company, of course, nonetheless we would have
21 written that check to someone -- we wrote that, in
22 terms of the payroll and supporting goods and
23 services. And so that's the kind of economic
24 benefits that come as a result of leveraging the
25 natural resources in this area.

1 So that's a very compelling story when
2 you keep these economics here and you keep the
3 benefits here, rather than sending all of our
4 paychecks that we pay into the utility out of the
5 state. We're actually contributing to jobs and
6 job creation and economic benefits here.

7 It is leveraged. As I say, we have the
8 induced and indirect means that we will be
9 bringing in nearly \$19 million of economic
10 benefits. And as we translate that into jobs, the
11 total employment impact per year of our 30-year
12 footprint here should be sustained at about 160
13 jobs in this area.

14 So that's, again, a thing very near and
15 dear to my heart, and hope we'll be able to do
16 that.

17 That's the economic section.

18 We will wrap up here for our section
19 just by the primary contacts. Me, of course, I'm
20 Scott Frier, and I'm the chief operating officer
21 of the company. And, again, I've been here for 25
22 years, because I've lived here for the solar
23 resource and have been in that industry for that
24 long. So this is my adopted home.

25 And I do have the office in Victorville.

1 So we're reachable via email there. We do have
2 our office in Victorville, of course, where we can
3 be contacted.

4 Tandy McMannes is Vice President of
5 Business Development. He can also be reached. He
6 deals with all aspects of the business management,
7 the contract side, and actually selling utility-
8 scale electricity as a result of the project.

9 And we've got Fred Redell, of course,
10 who speaks on the attributes of the project. He's
11 continuing to follow permitting activities. And so
12 if this all goes wrong, I'll blame Fred. So,
13 don't screw this up, Fred.

14 (Laughter.)

15 MR. FRIER: So I think that pretty much
16 wraps up our presentation for today. Thanks.

17 PRESIDING MEMBER LEVIN: Mr. Frier,
18 before you step down I've got a question for you.
19 I appreciate all the information on the economic
20 stimulus for the local economy, but the one thing
21 you didn't mention and I'm curious about, is if we
22 get to a decisionmaking point in time, and the
23 decision is to approve the project, what would the
24 value of the federal stimulus dollars be to this
25 project.

1 MR. FRIER: The value that --

2 PRESIDING MEMBER LEVIN: Or are you
3 going to be looking for federal stimulus dollars?

4 MR. FRIER: Yes, we are. We're hoping
5 to qualify for the ARRA funding. And that's
6 why --

7 PRESIDING MEMBER LEVIN: American --

8 MR. FRIER: American Reinvestment and
9 Recovery Act funding. So we are hoping to go in
10 for double benefits on this. This is the grant
11 component of this, which is the federal grant that
12 helps defer one-third of the capital cost of the
13 project. That is applicable if we're able to get
14 this project online by the end of 2010 -- or
15 excuse me, if we're able to certify a bona fide
16 construction start by the end of 2010.

17 We're also applying for a federal loan
18 guarantee program. And that program lasts a
19 little longer. But we are very much hopeful that
20 we'll be able to qualify for both of those
21 programs in combination. So that's also a
22 compelling factor to hoping that we can be fully
23 compliant and do everything we need to do to help
24 this project along expeditiously.

25 PRESIDING MEMBER LEVIN: Okay, thank

1 you. I don't know whether it's proprietary or
2 otherwise confidential information, but if it's
3 possible to share the magnitude of those two, the
4 stimulus funding, the loan guarantee and the grant
5 would be, or even as a percentage of the project
6 cost, it would be helpful for us.

7 And obviously the Energy Commission, the
8 Governor, is very committed to trying to secure
9 many stimulus dollars for California as possible.
10 It doesn't guarantee approval of any given
11 project, but to the extent possible for you to
12 share, it would be helpful for us to know what are
13 we really talking about, in terms of dollar
14 difference --

15 MR. FRIER: Sure. This is -- yes,
16 mostly it's a matter of public record, so I don't
17 mean to delve into details of confidentiality.

18 The project, the overall estimated
19 capital cost of the project is approximately \$1.25
20 million and that's -- or billion -- it's 1
21 billion, with a "b". And that's a matter of
22 record.

23 Now, the actual cost of the project, it
24 is going to depend on when we can actually kick it
25 off. It's like buying stocks and bonds, and it's

1 extremely subject to fluctuation of the commodity.
2 So when we actually get the trigger-pull, all of
3 the costs of the commodities are going to have to
4 be then assigned at that exact time.

5 So, more or less, that's the order of
6 magnitude that we've been using as the basis of
7 the socioeconomic study that we're presented to
8 the Commission.

9 The federal loan guarantee -- excuse me,
10 let's start with the federal grant first. The
11 federal grant is a 30 percent grant, full-blown
12 grant that is 30 percent of the capital investment
13 via the federal government. And that's in lieu of
14 a 30 percent federal tax investment credit that
15 was the alternative. And that program will kick
16 in once the grant expires.

17 It's much the same, the difference is,
18 that if you use the federal tax credit you
19 actually have to find investors who are secure
20 enough that they'll have a federal tax profit, and
21 thus debt, in order to make use of that.

22 And with the insolvency of the financial
23 market, there's simply not enough capital out
24 there that has the security or sense of security
25 that they're going to be so profitable that

1 they'll actually have enough federal tax liability
2 to make use of the tax credits. That's why the
3 federal grant program was kicked in. So we're
4 hoping to make use of this.

5 Now, the federal loan guarantee, this
6 actually helps backstop the regular commercial,
7 financial debt that we would otherwise seek. And
8 makes those fickle banking institutions who are,
9 you know, like a deer in the woods ready to bolt
10 at the snap of a twig right now, that gives them a
11 little bit more solace to be able to come to the
12 table and put together a composition loan of this
13 magnitude, because it's a significant amount that
14 must be lent.

15 So, the federal loan guarantee backstops
16 that, and gives them the security to be able to
17 loan money to a project of this magnitude.

18 So those are the two federal benefits
19 we're bringing in.

20 PRESIDING MEMBER LEVIN: Okay, thank you
21 very much.

22 MR. FRIER: You're welcome.

23 HEARING OFFICER KRAMER: I have one
24 question. SEGS X through XIII were mentioned at
25 one point as proposed for this basic site. Were

1 they ever approved?

2 MR. FRIER: SEGS X was. SEGS X was
3 approved and SEGS X began construction. SEGS X
4 began construction in 1992, and was approximately
5 30 percent completed when the developer actually
6 went chapter 7.

7 There was a series, as they say, of
8 unfortunate events that is a rather interesting
9 read, if that's what you like to read, but there's
10 quite a complex series of unfortunate events that
11 brought about the demise of LUZ, which is actually
12 profiled in a USDOE whitepaper.

13 But the project footprint is still out
14 there. It was approved, but it was abandoned in
15 sight of about 30 percent completion. So you can
16 still see the pylons there.

17 SEGS XI and XII were actually in process
18 of being permitted when that bankruptcy occurred.
19 So, I don't believe -- Chris may know -- I don't
20 believe that that permitting effort was completed
21 at the time of the demise of LUZ and the
22 bankruptcy.

23 PRESIDING MEMBER LEVIN: Commissioner
24 Boyd, do you have any questions?

25 ASSOCIATE MEMBER BOYD: I guess my only

1 question or the only comment I'll make about a
2 question that hangs over this is the water issue
3 that the staff has already brought up as one of
4 the issues that will have to be thoroughly
5 evaluated.

6 Water is gold in California. And the
7 statement was made, although a little equivocally,
8 that this is, indeed, brackish water. So, I just
9 hope that proves to be the case and that we have
10 clear sailing, if I may use that pun, with regard
11 to the use of this particular water source.

12 I don't expect you to have the answer,
13 unless you have all the answers.

14 MR. FRIER: Well, I can't profess to
15 have all the answers. I have been a part of an
16 elongated study that's gone on, and it's been a
17 significant two-year enterprise where we have
18 studied very thoroughly the basin, the health of
19 the basin and the recovery of the basin, the
20 nature of the water, the nature of the quality of
21 the water, and the wells. The sustained quality
22 of the production of the wells in the area, both
23 for the Riken (phonetic) property that has a
24 current crop circle, as well as the existing SEGGS
25 have been drawing wells since their inception in

1 1989 and 1990.

2 So we've got very good data. We are
3 working with your staff to make sure that we are
4 fully responsive to all of their inquiries, and
5 went into that element to some great extent
6 yesterday.

7 And committed to fully satisfy all of
8 their interests to insure that we, indeed,
9 validate the case this is both brackish water and
10 a sustainable basin. And that we have the
11 unfettered right to consume that water.

12 ASSOCIATE MEMBER BOYD: Thank you.

13 MR. ELLISON: Commissioner Boyd, if I
14 could just add to that three quick points. One,
15 Abengoa has a judicially determined, adjudicated
16 agricultural water right that is roughly, if I
17 recall correctly, about three times what they need
18 for this project. And so their water rights are
19 absolutely clear.

20 There shouldn't be any equivocation
21 about the brackish nature of the water. The TDS
22 measurements that were included in the application
23 were essentially from the cleanest data that we
24 have. By clean I mean the least brackish water,
25 which nonetheless proved to be brackish.

1 So if there was any apparent
2 equivocation I'd like to set that straight. I
3 don't think we're at all equivocal about that.

4 We are, as Scott mentioned, working with the
5 staff on that.

6 And the last thing I want to mention is
7 that the applicant conducted a very serious series
8 of investigations of the possibility of recycled,
9 reclaimed water in the area. And we'll certainly
10 be presenting that information to you, as well.

11 ASSOCIATE MEMBER BOYD: Thank you.

12 HEARING OFFICER KRAMER: Now, it's time
13 for staff's presentation. And I gather there was
14 a staff workshop yesterday, so, Mr. Hoffman, if
15 you could tell us if anything changed after that,
16 by way of your recommended schedule.

17 (Pause.)

18 MR. HOFFMAN: Good evening. My name's
19 Craig Hoffman; I'm the Project Manager on behalf
20 of the CEC. And I don't know if you want me to
21 handle the data response workshop that we held
22 yesterday or handle that as part of the
23 presentation?

24 HEARING OFFICER KRAMER: Just go ahead
25 and blend that into your presentation.

1 MR. HOFFMAN: Okay, all right. Again,
2 my name's Craig Hoffman. Beside me is Christine
3 Hammond. She's Staff Counsel on this project.
4 And my job is to facilitate this project, the
5 Abengoa Mojave Solar proposal. And you'll see the
6 acronym AMS a lot through the siting licensing
7 process.

8 And this is an overview of that process.
9 There are copies of this PowerPoint presentation
10 over at the table if you would like a copy. I
11 don't know if there are any more. I can get you a
12 copy. We will have this docketed and it will be
13 online.

14 The Energy Commission's role as the
15 permitting authority of thermal power plants over
16 50 megawatts or greater. We take a look at
17 related facilities to those plants, including
18 electronic transmission lines to the first point
19 of the interconnection, water supply pipelines,
20 natural gas pipelines, access roads. And we are
21 the lead authority on the CEQA aspect of the
22 project, as well.

23 An overview of the licensing process.
24 There are three parts to the licensing process.
25 The first is data adequacy. The applicant submits

1 an application; we review that application to
2 verify that it meets the minimum requirements to
3 accept the application for analysis.

4 We are currently in the staff discovery
5 and analysis phase. I prepared a issues
6 identification report that was docketed on October
7 21st that identified any concerns that staff may
8 have; identified a proposed schedule.

9 We have issued data requests. Yesterday
10 we note the first public workshop that was a data
11 response workshop. I anticipate another workshop
12 in January. The applicant is going to be
13 submitting a second round, or bifurcated round of
14 data responses.

15 As well as the culmination of the effort
16 of staff discovery and analysis is the preparation
17 of the staff assessment. Once that staff
18 assessment is prepared, we move into Committee
19 evidentiary hearing and decision.

20 During this point of the process my role
21 diminishes and it really moves into the public
22 hearing advisor works through evidentiary
23 hearings. The Presiding Member prepares a
24 proposed decision that's called a PMPD. And that
25 PMPD hearing and Commission decision take place

1 after that.

2 This is a graphic that identifies what
3 the discovery and analysis process looks like.
4 It's beneficial to have a very active public
5 involvement to where intervenors, the public, the
6 applicant, state and local, federal agencies all
7 come together. It creates a much better document.

8 Energy Staff takes all that information,
9 prepares our staff assessment, and testimony is
10 provided as part of the hearings.

11 During -- am I going backwards -- oh,
12 okay -- during the discovery and analysis process
13 we're determining if the project complies with
14 laws, ordinances, regulations and standards. We
15 call this LORS.

16 We conduct engineering, environmental
17 analysis. We identify issues. We evaluate
18 alternatives to the project. We identify
19 mitigation measures. We recommend conditions of
20 certification.

21 During this we're facilitating public
22 and agency participation in the process. And the
23 ultimate product is staff is developing a final
24 staff assessment. And ultimately on this project
25 you'll see a supplement to the staff assessment.

1 And a recommendation is made to the Committee.

2 During the evidentiary hearing and
3 decision process, testimony from intervenors,
4 public comment, applicant testimony, staff
5 testimony and testimony from local, state and
6 agency comments are provided to the Committee that
7 looks to prepare a proposed decision, which is
8 ultimately passed on to the full Commission for a
9 final decision.

10 The evidentiary hearing and decision
11 process. The Committee conducts the evidentiary
12 hearings. During this time a Presiding Member's
13 Proposed Decision is issued. And this PMPD
14 contains findings regarding the environmental
15 impacts, public health, engineering. Findings
16 regarding the project's compliance with LORS,
17 conditions of certification, discussion regarding
18 agency and public comments. And recommendation on
19 whether or not to approve the project.

20 This ultimately goes to the full
21 Commission who will make the decision. And the
22 Energy Commission monitors compliance with all
23 conditions of certification for the life of the
24 project and ultimate closure.

25 Local, state and federal agencies are a

1 part of this process. The application is
2 submitted to the various agencies that have an
3 interaction in this process. Applications have
4 been provided -- or the AFC and comments have been
5 provided to the City of Barstow, San Bernardino
6 County Planning, Health, Public Works, Water
7 Resources, the Mojave Desert Air Quality
8 Management District, the Mojave Valley Groundwater
9 Basin, as well as state agencies, including the
10 Department of Fish and Game and the Regional Water
11 Quality Control Board.

12 And on the federal side, U.S. Fish and
13 Wildlife Service and Army Corps of Engineers.

14 Public participation is crucial to this
15 process. There's a wide opportunity for the
16 public to provide comments, from the Deputy Public
17 Adviser, she's provided information on how to
18 participate, both as the general public or
19 something more formal as an intervenor.

20 Workshop hearings are noticed at least
21 ten days in advance. There is a mailing list that
22 a person can get on, both for physical mail as
23 well as email. And that's on our listservers. As
24 well as if you go to the energy website, I make
25 sure that as informations come in, I do docket

1 that information; it goes online. And right now
2 there's really a wealth of information on the
3 project.

4 Documents are available here locally at
5 the Barstow Branch Library, as well as the Barstow
6 Community College Library. And that's the actual
7 hard copy of the document. We also have copies in
8 the surrounding community. We have copies at the
9 library in Sacramento. This document is online
10 and you can view it online.

11 Project contacts. As you've previously
12 heard, there is the Energy Commission's Committee,
13 that's the Presiding Member Julia Levin,
14 Commissioner Jeffrey Byron and Paul Kramer --

15 PRESIDING MEMBER LEVIN: Sorry,
16 correction. It's Commissioner Boyd.

17 MR. HOFFMAN: Boyd, sorry. Sorry. And
18 Commission Staff, myself, Christine, as well as
19 Lorraine and April Albright is a project
20 assistant.

21 Staff issues identification report. A
22 report was prepared October 21st. It was
23 docketed. It is online. And the purpose is to
24 inform participants of any potential issues or
25 early focus on important topics.

1 The criteria for this report is any
2 impacts that may be difficult to mitigate,
3 potential noncompliance with LORS, potential
4 conflicts between parties that could delay the
5 schedule.

6 At that point in time staff was
7 concerned with water resource issues. And the
8 main concerns were in regards to making sure that
9 the project would not result in significant
10 impacts to other water users; making sure that
11 groundwater pumping in the Mojave River Basin does
12 not impact surrounding communities or other users.

13 Making sure that pumping in this portion
14 of the basin does not change hydraulic radiance,
15 cause migration of impaired groundwater. And
16 Energy Commission Staff, the applicant, Mojave
17 Water Agency and the Mojave Water Agency
18 Watermaster have been working very diligently
19 together to make sure that potential impacts are
20 evaluated and mitigation is provided, if feasible.

21 Staff's proposed schedule on this
22 project is based upon the applicant's timely
23 response to staff's data requests; required
24 actions by other local, state and federal agencies
25 that are involved in this process resolution of

1 identified issues. And the proposed AMS project
2 does qualify for a 12-month licensing project --
3 process, sorry.

4 In this case, with the President and
5 Congress underscoring the need for accelerated
6 development of renewable energy projects in
7 California and the passing of the American
8 Recovery and Reinvestment Act, this specifically
9 directs economic stimulus funding to qualified
10 projects that can begin construction by December
11 of 2010.

12 This is a project that has requested
13 those fundings, and has required a relatively, an
14 accelerated project schedule in the preparation of
15 a single staff assessment in this schedule.

16 And I realize this is difficult to read
17 on the screen. Again, copies are available. Just
18 wanted to touch bases on a few items.

19 Again, the issues identification report
20 was prepared in October, on the 22nd. Staff has
21 filed data requests to the applicant. Applicant
22 has provided data responses. The first set that
23 came in on November 24th and 25th.

24 We held a data response and issue
25 resolution workshop yesterday. This is a public

1 workshop. It's an informal hearing. It's -- the
2 meeting is not transcribed, but it's an
3 opportunity for staff and the applicant to review
4 the data requests, as well as the data responses;
5 get clarity; and make sure that staff has all the
6 information necessary to prepare the staff
7 assessment.

8 There's also the opportunity for the
9 public to participate in that process, as well.

10 Currently staff is anticipating
11 publishing of the staff assessment March 4th, with
12 workshops taking place in March. And ultimately
13 after public comment is provided, a addendum or
14 some type of errata to the staff assessment
15 prepared towards the first of May. And then
16 leading into evidentiary hearings by the
17 Committee.

18 HEARING OFFICER KRAMER: Does that
19 conclude your comments?

20 MR. HOFFMAN: I think so. One last
21 item, if this project would be approved by the
22 Energy Commission, the compliance phase would take
23 place in which we have a compliance project
24 manager that ultimately provides oversight of the
25 construction and operation of the project.

1 And that concludes my presentation. If
2 there's any questions that I might be able to
3 answer -- I realize it's a lot of information. My
4 contact information is available on this
5 presentation; it's online; it's on the notices.
6 And please feel free to call me or email me, if
7 you'd like. All right.

8 PRESIDING MEMBER LEVIN: Thank you very
9 much, Mr. Hammond (sic) -- I'm sorry. I would
10 like to follow up on this schedule issue. Explain
11 to me -- those of you that aren't familiar with
12 the project process, and maybe haven't paid a lot
13 of attention to the Sacramento budget issues, all
14 the other things going on in the Energy
15 Commission, our staff is incredibly talented,
16 dedicated, hard-working. They're working on
17 furlough days, unpaid.

18 We are trying to get projects permitted
19 as quickly as possible. And we ask all of you,
20 particularly the applicant, to do everything you
21 can to help us stay on schedule. We will do
22 everything that we can.

23 We are making every effort to get the
24 projects that could be eligible for stimulus
25 dollars permitted on time. That requires

1 cooperation from a lot of different sides,
2 intervenors, members of the public. If you are
3 thinking about intervening, as Ms. McMahon said,
4 please intervene as early in the process as
5 possible. So that that doesn't cause a delay
6 later on.

7 But really I can't thank our staff
8 enough. They are working overtime and then some
9 with inadequate compensation, inadequate resources
10 right now. So we will do our very best. This is
11 very very important, as I said, not just to the
12 Commission, but the Governor and the State of
13 California, for us to get these projects to a
14 decision point in time, whatever that decision
15 will be.

16 So I want to thank staff, because they
17 really are making a Herculean effort here. And I
18 know they will continue to.

19 HEARING OFFICER KRAMER: Okay. Before
20 we go to the next item, which is a discussion of
21 the schedule, since CURE is an intervenor and
22 their representative has asked to speak, I think
23 this would be a good time for Elizabeth Klebaner
24 to come up and provide CURE's comments.

25 MS. KLEBANER: Good afternoon. Thank

1 you for the opportunity to comment today.

2 ASSOCIATE MEMBER BOYD: I think you
3 might explain to the audience the acronym.

4 MS. KLEBANER: Oh, excuse me. CURE
5 stands for California Unions for Reliable Energy.
6 If anyone has any further questions regarding the
7 organization, please feel free to ask them.

8 Good afternoon and thank you, again, for
9 the opportunity to comment today. Thank you to
10 the Commission Staff for engaging the public and
11 for explaining the Commission process. Thank you
12 to the folks at Abengoa for organizing this site
13 visit and for making themselves available for
14 questions about the project.

15 CURE believes this process should
16 continue to as transparent as it has been thus
17 far. And transparency is particularly important
18 in this case because this project is on a fast
19 track. That means that CURE would like an
20 opportunity to participate in the site visit that
21 will be held later this month for staff and
22 consulting agencies.

23 And that is our only comment today.
24 Thank you.

25 HEARING OFFICER KRAMER: Thank you.

1 Let's move on then to discuss the schedule a
2 little more.

3 Mr. Ellison, you filed a response where
4 -- I'll try to paraphrase it and you correct me if
5 I'm wrong -- you were asking that the staff
6 schedule be moved forward if your client would be
7 able to provide data responses earlier than they
8 were projecting.

9 And to put that in context, originally
10 staff set a mid-February date for the publication
11 of the staff assessment, which was based on data
12 responses from the applicant coming in on November
13 23rd.

14 And then subsequently the applicant
15 requested more time, basically another month, to
16 provide those responses. And they're now expected
17 right before Christmas.

18 And so staff, rather than adding a month
19 to the publication of the staff assessment, they
20 added about two weeks.

21 So, I'm wondering, in some ways it
22 appears as if they've already compressed the
23 schedule somewhat, even though you've had to
24 extend it. And I'm wondering, do you think they
25 can do much more than move it later by only two

1 weeks, to go along with the four-week extension
2 that you requested?

3 MR. ELLISON: No, let me explain our
4 position here. We appreciate what the staff has
5 done with the proposed schedule, and essentially
6 agree with it.

7 The only thing we were saying is that to
8 the extent that we can get the data responses
9 earlier than the date that we asked for and that
10 the staff agreed to, we would like those savings
11 to be incorporated into the schedule. We would
12 like that incentive in the process for us to move
13 more quickly and to have that savings recognized
14 such that the staff's date would move forward by
15 an equivalent amount.

16 We're not asking the staff to compress
17 the schedule any more if we are unable to compress
18 our schedule. But we are asking the Committee to
19 reflect any compression that we can achieve in the
20 responses in the remainder of the schedule.

21 So if that clarifies our position, we do
22 appreciate what the staff has done on the
23 schedule.

24 HEARING OFFICER KRAMER: So, is it fair
25 to say you're suggesting that if you can cut your

1 time in half from four weeks to two weeks, then
2 you'd like them to add only one week to the
3 original publication date for the staff
4 assessment?

5 MR. ELLISON: Yeah, basically we're
6 saying we'd like the staff to have the amount of
7 time they've asked for from whenever we can
8 produce the answers, you know, assuming we can get
9 them done earlier than we project.

10 And I would emphasize, by the way, we
11 did not ask for an extension on all the data
12 requests. But we did receive what we thought
13 were, you know, a rather remarkable number of data
14 requests requiring quite a bit of analysis. I
15 mean in some cases it simply can't get done within
16 the 30-day timeframe.

17 But we are endeavoring to do it as fast
18 as we can possibly do it. We have a very powerful
19 incentive to keep this project moving, as you
20 know.

21 HEARING OFFICER KRAMER: Mr. Hoffman, do
22 you have a response to that?

23 MR. HOFFMAN: I think both the applicant
24 and staff have been working diligently on this
25 project. Right now staff is currently working on

1 staff sections, it's a lengthy document, over 20
2 sections to the document.

3 And there are some areas in which staff
4 is definitely going to be able to complete those
5 sections sooner rather than later. But there are
6 some significant sections that have data responses
7 that were pushed out 30 days: air quality, water
8 resources, cultural resources, biological
9 resources. Those are very technical staff
10 sections that will require time to work on.

11 We are working diligently. Furloughs
12 have been rescinded in our department. We're
13 doing everything we can to move this process as
14 timely as we can. We're going to continue that.

15 We've worked out a schedule that we felt
16 was fair; it allowed us additional time. We
17 didn't ask for 30 days additional. And I think
18 this is a schedule that we're going to do
19 everything we can to stick to.

20 MS. HAMMOND: Hearing Officer Kramer, I
21 would just like to add that the data requests that
22 were provided to the applicant were designed to
23 hopefully prevent subsequent rounds of data
24 requests. And so as much of the issues were
25 identified upfront in order to accommodate this

1 ambitious schedule.

2 So, you know, and we've been working
3 with the applicant and I think I heard Mr. Ellison
4 say that the applicant was requesting two weeks
5 from the date that the data requests will be
6 provided, rather than compressing it down to one
7 week for staff to review that data. And that was
8 my understanding.

9 HEARING OFFICER KRAMER: And so it seems
10 to me that we're probably already about two weeks
11 into that extended period. And so if they were to
12 provide them tomorrow then, and you provided just
13 a proportional extension of the staff assessment,
14 you'd likely come up with a date right around
15 March 4th that you proposed.

16 And so another way to look at it might
17 be that if the applicant doesn't produce them very
18 soon, closer to Christmas, that you're already
19 giving them something back because you didn't ask
20 for a full proportion of increase.

21 MR. HOFFMAN: We did not ask for a one-
22 to-one deferral of time.

23 MR. ELLISON: Mr. Kramer, let me be
24 clear. We, you know, maybe can short-circuit
25 this. We very much appreciate the staff's

1 schedule and the fact that they didn't ask for a
2 one-for-one.

3 And recognizing where we are at this
4 point, you're right, I mean we're talking about a
5 few days at best. This is not a big issue for us.
6 We can accept the staff's schedule and just move
7 on.

8 HEARING OFFICER KRAMER: Okay, thank
9 you.

10 ASSOCIATE MEMBER BOYD: Clarification,
11 if I might. I mean I'm hearing some very positive
12 dialogue here, so I'm pleased by it.

13 I want to get back to a point that you
14 made just a moment ago and see if I can phrase it
15 differently, because I think it's a rather
16 important statement.

17 And that is, as I interpret what you
18 said about asking for maybe more data in the
19 beginning to try to avoid maybe data requests
20 later on, I choose to interpret that as you saying
21 you kind of front-loaded the data requests in an
22 effort to try to get that all identified and thus,
23 maybe over the long haul, shorten the period of
24 time involved in this process.

25 MS. HAMMOND: Thank you, Commissioner

1 Boyd, thank you for giving me the opportunity to
2 clarify. You are right, there was no -- staff did
3 not make an effort to request data that it did
4 not, in good faith, believe was required.

5 ASSOCIATE MEMBER BOYD: There's no net
6 additional data requests in your eyes?

7 MS. HAMMOND: At this point, looking at
8 the responses there may be some followup questions
9 that were asked at the data request and response
10 workshop. But, no unnecessary questions were
11 asked.

12 ASSOCIATE MEMBER BOYD: Thank you.

13 PRESIDING MEMBER LEVIN: Could I ask a
14 related question. I'm somewhat new to this
15 process, less than a year into it. What about a
16 deadline for current or any potential intervenors
17 to submit data requests?

18 MS. HAMMOND: Commissioner, I might look
19 to the Public Adviser's Office. The regulations
20 do provide deadlines for intervenors to
21 participate. And we do encourage people to
22 participate early on to help identify issues, hear
23 concerns from the community.

24 But those deadlines are set by the
25 regulations.

1 HEARING OFFICER KRAMER: Yeah, it's
2 basically six months from data adequacy. And
3 there's another rule that says we cannot go to
4 evidentiary hearings any sooner than four months
5 after data adequacy.

6 So if the Committee's ready to go to
7 hearings, it could do so before data requests are
8 cut off. But any intervenor is well advised not
9 to wait until then, because the Committee would
10 not have to hold up the process to allow them to
11 have the full six months.

12 PRESIDING MEMBER LEVIN: Thank you.
13 Again, anyone still considering intervening, if
14 you have already intervened, please try to move as
15 quickly as possible.

16 HEARING OFFICER KRAMER: Yeah, I have --

17 PRESIDING MEMBER LEVIN: That would
18 really help us.

19 HEARING OFFICER KRAMER: -- I have one
20 more question about the schedule. And that's
21 right now it proposes to wait about two months for
22 the issuance of an addendum prior to the start of
23 prehearing conference and evidentiary hearings.

24 I wonder if the parties could comment on
25 the wisdom of holding at least the prehearing

1 conference some time before the addendum is out to
2 discuss readiness for hearings.

3 I'm thinking at some point a week or two
4 after that, the staff assessment workshop where
5 both parties will be -- all parties will be a
6 little bit more certain about what the issues that
7 remain to be adjudicated are.

8 And that would move things a little bit
9 forward because we could start hearings perhaps in
10 May, early May even.

11 PRESIDING MEMBER LEVIN: Mr. Hoffman,
12 Ms. Hammond -- question for you two. I'm sure the
13 applicant would agree.

14 MR. ELLISON: I'm good.

15 PRESIDING MEMBER LEVIN: Okay.

16 MS. HAMMOND: Well, at this point we
17 don't know for certain what would be included in
18 the staff assessment addendum. And I would -- the
19 issue that would need to be litigated, based on
20 what the staff assessment puts forward, would be
21 identified in the prehearing conference.

22 So it might perhaps be premature to have
23 the prehearing conference at least before parties,
24 participants had a chance to review the staff
25 assessment. So if there are issues that any

1 person, party chooses to litigate, that could be
2 identified at the prehearing conference.

3 So, that's just my thought.

4 HEARING OFFICER KRAMER: Okay, well, I'm
5 thinking we could -- a prehearing conference, in
6 its purest form, is simply a time to discuss
7 whether or not things are ready to go to hearing.
8 So having that earlier than May would, if things
9 are ready, allow us to proceed more expeditiously.
10 And if they are not, then we can at least discuss
11 what we need to do to get ready to have the
12 hearings.

13 MS. HAMMOND: I think staff would be
14 prepared to identify the issues that it believes
15 would be litigated on the date earlier than May
16 5th.

17 HEARING OFFICER KRAMER: Okay. Mr.
18 Ellison, I presume you agree?

19 MR. ELLISON: Not surprisingly, we
20 agree.

21 HEARING OFFICER KRAMER: Okay.

22 HEARING OFFICER KRAMER: Okay, could you
23 sit next to Ms. Hammond so we can use that
24 microphone for the court reporter.

25 MS. KLEBANER: Thank you. I'm also

1 relatively new at this process, --

2 PRESIDING MEMBER LEVIN: I don't think
3 your microphone is on. You need to push the red
4 button.

5 MS. KLEBANER: Is it on? I think it's
6 on. Thank you, and sorry for the interruption. I
7 just wanted to make a statement for CURE. We're
8 making our best efforts to go through the
9 material; we recently were granted party status.

10 We're reviewing applicant's responses to
11 staff's data requests that came in at the end of
12 November and we'll put in all the effort we can to
13 submit any data requests that I have as soon as
14 possible.

15 HEARING OFFICER KRAMER: Thank you. I
16 don't believe any interested agencies identified
17 themselves earlier, but I'll ask again. Do we
18 have any representatives from a local, state or
19 federal agency that wants to make any sort of
20 presentation or ask any questions?

21 Seeing none, we'll move on to public
22 comments and questions. And one thing I forgot to
23 do earlier that I need to do for the record --

24 PRESIDING MEMBER LEVIN: Excuse me, I
25 think the City of Barstow Councilmember --

1 HEARING OFFICER KRAMER: I'm sorry, did
2 I not see your hand?

3 PRESIDING MEMBER LEVIN: We need --
4 because you wanted -- oh, okay. Okay, thank you.

5 (Laughter.)

6 HEARING OFFICER KRAMER: I need to just
7 make a disclosure for the record. I don't believe
8 it affects my ability to participate in the case,
9 but the parties should know that from 1986 until
10 1991 I was an attorney for the San Bernardino
11 County Council's Office. And I was their
12 principal land use attorney.

13 So I don't know to what extent the rules
14 that I remember from then are even still on the
15 books, but I felt it appropriate to just make that
16 disclosure so that everyone is aware of that.

17 So, our first public comment will be
18 from Scott Lisk.

19 MR. LISK: Well, I didn't want to be
20 first.

21 (Laughter.)

22 HEARING OFFICER KRAMER: Well, actually
23 there's only --

24 PRESIDING MEMBER LEVIN: You're going to
25 be last, too.

1 (Laughter.)

2 HEARING OFFICER KRAMER: Yeah.

3 MR. LISK: Thank you, Commissioners and
4 Counsel and all the staff that's working on this.
5 My name is Scott Lisk. I'm just a local
6 interested party.

7 Question to staff would be, this is a
8 tremendous project, and I'd like to know, or I'd
9 like to -- it may be already have been answered in
10 their initial application, but I was told that
11 this project's going to produce as much power as
12 Kramer Junction and all the surrounding facilities
13 in the area.

14 And my question would be what upgrades
15 to the existing transmission lines are going to be
16 necessary to meet what the new federal standards.
17 We're all aware that those transmission lines
18 can't handle much power going back into them right
19 now, and that's really critical for us to get to
20 the point where we can achieve the goals, the
21 state's goals for renewable energy efficiency.

22 So my question, once again, is what
23 upgrades will be required of the existing lines
24 that are there that they plan to tie in, since
25 both their power islands and their interconnection

1 facilities are going to be completed at the same
2 time. Will those upgrades be -- the new federal
3 standards, and will those upgrades allow for
4 future interconnections of additional phases or
5 other similar energy production facilities?

6 And I haven't heard addressed, does the
7 applicant own any additional acreages above the
8 1700 acres? Do you own any other additional
9 acreage in the area?

10 HEARING OFFICER KRAMER: I think the
11 applicant might be the best person to answer those
12 questions.

13 MR. REDELL: Sure, I'll start with that.
14 Regarding transmission, like every other project
15 in California, transmission is a large obstacle.
16 There's no project that we're aware about that has
17 the ability to easily deliver power on the
18 existing infrastructure.

19 Our project we sited so that we wouldn't
20 have to put in large gen-ties or that point to
21 first interconnection, and that's why we sited it
22 right next to a transmission line.

23 However, to deliver the power and for
24 queued-ahead projects, projects that are already,
25 you know, with the California Independent System

1 Operator, ahead of us, and for projects that are
2 behind us, there are significant upgrades that
3 Southern California Edison needs to do, that
4 Pacific Gas and Electric, all the transmission
5 owners need to do.

6 For this project to deliver there are
7 significant systemwide upgrades, which are outside
8 of our control. But, of course, we have to fund,
9 with Southern California Edison, those upgrades.
10 And we detail those in the AFC. Could range
11 anywhere from \$400- to \$500-million.

12 MR. LISK: And you expect them to be
13 completed in time, those upgrades to the lines to
14 be completed -- the upgrades to the lines to be
15 completed in order for you to turn your power on,
16 test your power centers and your interconnection
17 facility?

18 MR. REDELL: We believe that there is a
19 phased approach that Edison has, provides us with,
20 which would include a special protection system
21 where we would be able to come online, deliver
22 power at some capacity, perhaps full capacity.

23 And then if there was congestion or if
24 there was a system problem, we would be able to be
25 tripped, and the system would be essentially safe.

1 There are timelines, which we're trying
2 to compress. They are trying to get completed by
3 2013, 2014, which is about the timeframe that we
4 will come online. So where we're close to being
5 consistent with our schedule and their schedule.

6 We're making every effort to push from
7 our side. The Governor's Office is pushing on
8 Southern California Edison. Everybody's aware
9 that no project can get out without these
10 upgrades.

11 So I don't think this is lost on anyone.

12 MR. LISK: It's just not all you, it's a
13 combination of the state and a whole lot of
14 different agencies --

15 MR. REDELL: Right.

16 MR. LISK: -- that have to fund in to
17 making that happen?

18 MR. REDELL: Right.

19 MR. LISK: Thank you very much.

20 MR. ELLISON: Regarding -- if I could
21 just add quickly, just so there's no confusion, we
22 will not be allowed to interconnect if that would
23 result in a failure to meet applicable standards.

24 MR. LISK: If the line failed to meet
25 the applicable -- or you --

1 MR. ELLISON: Yeah, in other words if
2 the upgrades aren't there then we may have a
3 special protection scheme that would allow the
4 standards to be met. But I can assure you that
5 the standards will be met, that's a requirement of
6 interconnection. It's not the applicant's choice.
7 We can't just interconnect and see what happens.

8 I mean we'd have to be told by the
9 utility and by the Energy Commission and by the
10 California Independent System Operator that all of
11 those standards have been met, that the upgrades
12 are in place.

13 And the nature of the upgrade, the
14 applicant's role, essentially, in the process is
15 to identify their project, propose it to the
16 utility and to the California Independent System
17 Operator. And they independently determine what
18 upgrades are necessary and how best to do them.
19 Not just to meet the needs of this project, but to
20 meet all the needs of the utility including all
21 the other projects.

22 And then the applicant's only other real
23 role in this is to finance all of those upgrades.

24 MR. LISK: And that was part of my
25 question. If you're going to be applying for

1 federal funds, are you going to be using those
2 federal funds to upgrade the lines so that one,
3 they can receive the power that you're push out,
4 and two, that it would allow other projects,
5 similar-type projects that are proposed and in the
6 queue, as you call it, come forward, utilize those
7 lines?

8 In other words, if you're first to be
9 there, you're trying to be out of the ground by
10 sometime next year, do you anticipate that by the
11 time you're up and running that these lines will
12 be up to speed to handle the other projects also?

13 MR. REDELL: The improvements would be
14 sized, incrementally adjusted to our size project.
15 I know that the improvements that Edison will make
16 will allow for the delivery of much more power
17 than just our project.

18 It wouldn't just simply be a
19 reconductoring of a trunk line or something that
20 would just be incremental. They're talking about
21 doing systemwide upgrades that allow for thousands
22 of megawatts.

23 MR. LISK: And I apologize, I think
24 that's what I was trying to get to, was how are
25 you going to -- are you planning on upgrading this

1 transmission line so that other projects can come
2 in and we can move on?

3 This is a tremendous project and we
4 support the project. And I thank you for your
5 time tonight.

6 HEARING OFFICER KRAMER: I don't think
7 you got -- did you get to the question about the
8 land?

9 MR. FRIER: Yeah, we had the secondary
10 question on the land. It's a good question. We
11 do own significant property in that area.
12 However, were you on the tour today?

13 MR. LISK: Yes, sir.

14 MR. FRIER: Okay. So part of the effort
15 in taking you around the perimeter of the tour and
16 part of the depictions that Fred showed really
17 focused in on the disturbed property out there.

18 And if you were able to note either on
19 the tour or from the maps that Fred depicted, we
20 kind of followed the outline of the disturbed
21 property. And so we've expanded our current
22 development aspirations out to the edge of that
23 property that's already been disturbed.

24 Although we own other property that has
25 not been disturbed, it's not suitable for

1 development. So, we do have other properties, but
2 they're habitat property. And we may offer that
3 for mitigation purposes, but we have no current
4 development aspirations. Because we were focused
5 only on those areas that had been previously
6 disturbed.

7 MR. LISK: Thank you. That was my
8 question. Are you planning on alpha and beta, or
9 were you planning on charlie and delta --

10 MR. FRIER: We're rather constrained
11 with the extent of the crop circles. And we don't
12 own but just a few acres outside of those crop
13 circles that were depicted in our project boundary
14 that have not been disturbed.

15 MR. LISK: I think it was a good tour
16 today and we support the project. Thank you.

17 HEARING OFFICER KRAMER: Thank you. I
18 have one card from Norman Diaz, who had to leave
19 early. So he'd just ask that a paragraph be read.

20 He says that water use is a concern. He
21 is interested in local jobs and support for
22 Hinckley's School. And hopes the facility will be
23 what he calls film-friendly, which I guess means
24 allowing commercial filming during construction
25 and operation of the project.

1 That was my last blue card. Did anybody
2 else wish to make a public comment?

3 Okay, seeing none, we'll take just a
4 couple minutes for housekeeping and then --

5 MR. ELLISON: Mr. Kramer, before we get
6 to the housekeeping I do have one additional
7 thought, if you don't mind, on the schedule
8 issues. I just want to flag something for the
9 Committee's consideration. I haven't really
10 discussed this with staff yet, so it's a bit
11 premature. But since we're here.

12 We do have one avenue that we think
13 might ease the burden on the staff, make their
14 life easier, move this project a lot more quickly.

15 It deals with the water issue that we
16 spoke of earlier. So I just want to flag this
17 issue with the understanding that we're going to
18 talk to staff about it.

19 As I mentioned earlier, this project is
20 unusual in that the groundwater pumping we're
21 talking about is in an adjudicated water basin. A
22 court has determined not only what the water
23 rights are, but has put in place a water master
24 and a program to deal fairly with the issues of
25 effects of groundwater pumping by users on other

1 users.

2 There's a program in place to determine
3 what the water recharge to the basin is on an
4 annual basis, and adjust people's water use
5 accordingly.

6 All of this has been judicially decided.
7 It's the applicant's position that the Energy
8 Commission is bound by that judicial decision like
9 any other law that it has to apply.

10 But even if the Commission disagrees
11 with that, it's certainly informative to look at
12 all this effort that the courts and the water
13 master have put into looking at some of these
14 issues that staff is also looking at.

15 So, I just wanted to flag that to your
16 attention and suggest that we're going to be
17 talking to staff about recognizing that decision
18 in this process. And perhaps finding a way to
19 ease the burden on the staff, which we do
20 appreciate, in looking at some of these water
21 issues.

22 PRESIDING MEMBER LEVIN: Mr. Ellison,
23 thank you. Another good segue to a question I
24 have. But before I segue I would just like to
25 make sure I understand.

1 It's your position that the water
2 master's decision would have already considered
3 all the issues relevant to a solar thermal
4 project, assuming that there's no dispute about
5 the appropriation or the adjudicated right to the
6 water.

7 I'm struggling with where that line is,
8 because we're looking specifically at the water
9 use and impact of the solar thermal project, not
10 your right to the water necessarily.

11 MR. ELLISON: The water master's opinion
12 looks at not only the right to the water, but --
13 groundwater pumping, as you know, generally in
14 California is not regulated. But in this case
15 where there's adjudication, essentially it is.

16 And so the decision looks at the
17 difference, for example, of a transfer from
18 agricultural use to a industrial use, not
19 specifically solar thermal, but an industrial use.

20 And it looks at and makes adjustments
21 for that, essentially two for one. In other words
22 the industrial user gets charged with two acrefeet
23 of water for every acrefoot that would have been
24 agricultural.

25 It looks at, on an annual basis, the

1 recharging of the water basin, the effect of
2 pumping in the water basin by everybody on
3 everybody else. And imposes a system for
4 determining how much water people can use without
5 paying a substantial fee, if they go above that,
6 in order to regulate that use. That fee goes to
7 recharging the basin.

8 So it's not simply a matter of water
9 rights, per se. But it looks at these issues of
10 the impact of groundwater pumping on recharge of
11 the aquifer. It looks at these issues of effects
12 of groundwater pumping on neighboring users and
13 all those sorts of things.

14 So we think it's certainly, at a
15 minimum, relevant. And I would go further, as a
16 lawyer, and say that as a judicial decision on
17 these issues, that I think there's some pretty
18 serious constitutional issues raised by an
19 administrative agency not respecting that
20 decision.

21 But I don't think we're going to get
22 there. This is brackish water we're talking
23 about, among other things. But it's certainly an
24 informative piece of work done by another branch
25 of government that might save the staff some time.

1 And that's really the tone that we want to present
2 this to the staff. And discuss with staff
3 whether, you know, we need to reinvent the wheel
4 here or not.

5 PRESIDING MEMBER LEVIN: I'll leave it
6 up to staff how they're going to handle that. But
7 we certainly appreciate any effort to move
8 quickly, to avoid duplication.

9 And that was a perfect segue actually,
10 one I wanted to ask both staff and applicant
11 about, is to what extent you're using and relying
12 on, and to what extent they're helpful, the drafts
13 best management practices and the draft -- we
14 don't really have a draft yet -- the desert
15 renewable energy conservation plan for renewable
16 energy. Because this is one of what we hope to be
17 many projects for renewable energy development in
18 the desert.

19 It is still a learning experience for
20 us, how we can do it better, where are the places
21 where we can avoid duplication and get to the real
22 issues that do need to be addressed.

23 And I will just say, and I think the
24 staff will be welcoming suggestions like that. We
25 may or may not agree, but please do, not just the

1 applicant, but members of the public, bring those
2 sort of suggestions to us, so the process is
3 meaningful but not unnecessary at points.

4 And we do welcome, I think, feedback
5 about the best management practices is useful in
6 this project or not. If you're following it. I
7 hope that you are. If it's off in places, this
8 would be a great time to tell us how, and how it
9 could be improved, or what's missing.

10 Because you are one of the early
11 applicants that are hopefully using it. And, Mr.
12 Hoffman, it's as much a question for you as for
13 the applicants.

14 MR. HOFFMAN: I think the technical
15 staff in the various sections are looking at this
16 information. There is a lot of work that was put
17 into it, a lot of negotiations, and it is very
18 helpful in preparing our documents.

19 PRESIDING MEMBER LEVIN: Well, I think
20 for you and our siting staff in general, if you're
21 seeing gaps or things that are unclear, you should
22 definitely let us know. We and others can provide
23 that feedback.

24 MR. REDELL: I think in addition to best
25 management practices, we would like to try to do,

1 as much as possible, leverage upon work that staff
2 has already done on other projects. Not duplicate
3 analyses or duplicate reviews when we can look to
4 work that has already been done, like on the
5 Beacon project and others. And simply review that
6 against how we would like to proceed.

7 And accept, you know, the conditions of
8 certification in many areas, so that we don't have
9 to go back and start from ground zero. It seems
10 that often that's sort of the approach. And it
11 would really help us to just get to the end-game
12 and say, well, we agree with that condition,
13 instead of having to analyze and get to ultimately
14 what will be the same condition.

15 So I think if we can work -- I think we
16 were working toward that yesterday in some of our
17 areas. And perhaps like an air quality or report
18 of waste discharge, or requirements that would
19 come from the Regional Water Quality Control
20 Board, in those areas to the extent possible. And
21 to where it's applicable to our project. We would
22 just like to move forward with the understanding
23 the final conditions and accept them.

24 MR. HOFFMAN: And in the data response
25 workshop that we held yesterday I think one area

1 that we're really seeing an outside agency that is
2 streamlining how they approach a lot of these
3 projects is the Water Quality Control Board and
4 the Lahontan staff is able to provide information
5 upfront and in a timely manner.

6 So, we are looking at past cases, making
7 sure we're consistent with what's been done in the
8 past. But making sure that we're also tailoring
9 conditions that meet the requirements of this
10 project, as well.

11 MR. FRIER: Commissioner, just as a note
12 you mentioned Norman put in a blue card for a
13 comment and he had to leave early. But just as a
14 matter of record he did stop me and talk to me, so
15 I did have a discussion with him. And wish to
16 assure him on the record that we have full
17 intentions of being what we'll call educational-
18 friendly. We wish to be very supportive of the
19 Hinckley education system, and I assured Normal of
20 that in person.

21 HEARING OFFICER KRAMER: Okay, thank
22 you. Housekeeping matters. If the parties need
23 to make some changes in the proof of service list,
24 let me know offline.

25 We have no pending petitions to

1 intervene to discuss. One other aspect of the
2 proof of service list is an effort to reduce
3 paper. So, you'll see in the order there'll be an
4 invitation to the parties to indicate that they
5 are willing and they would prefer to receive only
6 an email copy of some of the documents that the
7 other parties will be serving upon them.

8 And if you are amenable to that, just
9 let me know, and then you'll be so marked on the
10 proof of service list. We're hoping that that'll
11 save some paper.

12 Also, we'll be asking then when you
13 create these electronic documents, if you do,
14 create pdf files that are text searchable.
15 Sometimes people will take a document, put it on a
16 scanner and in effect take a picture of it.

17 And first of all, that makes the file a
18 lot bigger. But also then it's hard to search for
19 specific words when somebody's trying to go
20 through a couple hundred pages of something to
21 find something. So we encourage you to do that.
22 And there's a more elaborate description of what
23 we're looking for; it will be in the scheduling
24 order. Just for your edification.

25 Finally, we encourage the applicant to

1 pay careful attention to the conditions of
2 certification that are proposed. We've found in
3 recent times that the Commission has seen what we
4 consider to be a lot of unnecessary amendments.
5 Because it looks as if the conditions weren't
6 vetted with perhaps with the people that are going
7 to have to build the project. And they discovered
8 some of them to be unworkable.

9 And we'd rather, to the extent we can,
10 avoid those amendments by dealing with the
11 workability of the conditions in the initial
12 process rather than as amendments.

13 I believe that's all I have.

14 PRESIDING MEMBER LEVIN: Commissioner
15 Boyd, do you have any final thoughts --

16 ASSOCIATE MEMBER BOYD: No, I look
17 forward to an expeditious process with regard to
18 this project. And many others like it hopefully.

19 PRESIDING MEMBER LEVIN: Well, we thank
20 you, all. I know it's been a long hearing but
21 it's really important for launching this process.
22 And we look forward to, as Commissioner Boyd said,
23 an expeditious process. And have a good evening.

24 (Whereupon, at 5:27 p.m., the hearing
25 was adjourned.

CERTIFICATE OF REPORTER

I, MARTHA NELSON, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of December, 2009.

MARTHA NELSON

CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

December 20, 2009

Margo D. Hewitt,

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